

## 20 years inside the mind of the CEO... What's next? Tough questions for government & public sector leaders

This two-pager highlights the key findings from our 20<sup>th</sup> CEO Survey.

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### 1 Competing in an age of divergence



#### Facts...

Over the past 20 years CEOs have seen much change due to globalisation and technological change. But with greater convergence has come greater divergence in beliefs and values, and rising discontent over inequality. It's creating many uncertainties as businesses search for global growth. CEOs are however optimistic, and prioritising innovation and digital capabilities in order to seize new opportunities.

#### ...and figures:

- CEOs see geopolitical uncertainty in their top 5 threats to growth
- 58% of CEOs think it's becoming harder to compete on the world stage as a result of more closed national policies.
- In the next 12 months, 29% of CEOs think global economic growth will improve (27% last year), and 38% are very confident about revenue growth (35% last year).

#### Tough questions to ask:

- How are you assessing the change on the public sector of major shifts in the geopolitical environment?
- What are you planning to do to address the impact of political events spreading from other countries?
- How will you manage the allocation of scarce funding, as budgets become more stretched, and demand for many services increases, over the next five years?
- How will your stakeholders in the private and voluntary sectors support you in the provision of services to meet the expectations of citizens a more divergent world?
- If infrastructure and innovation is key to a nation's success, what more can you do to encourage investment in R&D and new infrastructure schemes by the private sector?

### 2 Managing man and machine



#### Facts...

People worry that globalisation will take away their jobs; they're even more nervous about the impact of technology. Yet CEOs are still hiring – and looking most for skills that can't be replicated by machines. But the challenge is in finding those skills. In response, CEOs are searching more widely for talent.

#### ...and figures:

- 77% of CEOs are concerned about skills
- The hardest skills to find are creativity & innovation (77%), leadership (75%) and emotional intelligence (64%) - which are also among the most important for CEOs' organisations.
- The top talent activities being pursued are: promoting diversity and inclusiveness (87%); changing strategies to reflect skills and employment structures needed for the future (78%); and talent mobility (76%)

#### Tough questions to ask:

- How can you compete with the private sector for the talent you need in the public sector?
- How are you going to find the rarer skills like leadership, creativity and adaptability required to lead government through tough times?
- Have you worked out how you are going to re-skill your workforce for the government of the future?
- How can your people develop the digital skills to accelerate the shift towards online provision of public services?
- What parts of government will benefit from further automation - for example health, security, transport and policing - and how will your resourcing model need to be adapted?

### 3 *Gaining from connectivity without losing trust*



#### *Facts...*

Trust has been climbing steadily up the CEO agenda, and technology has exacerbated the challenge. In a more digitised world, CEOs say it's harder to gain and keep trust. And as new technologies and new uses of existing technologies proliferate, they see growing challenges for trust in areas like data privacy and ethics, IT disruptions and artificial intelligence.

#### *...and figures:*

- 69% of CEOs think it's harder for business to gain and keep trust, and 93% say it's important to have a strong corporate purpose.
- CEOs think the following areas will affect trust in the industry in the next 5 years with many taking action today: cyber security breaches affecting critical business information or systems (91% say it's an issue and 90% are responding); data security and ethics (91%/89%); IT outages & disruptions (90%/92%); AI automation (67%/58%).
- CEOs with state-backing are more concerned about technological change (78% vs 69% globally)

#### *Tough questions to ask:*

- How are you keeping up with the rapid change in technologies (like AI and crowd-sourcing) which can increasingly be used to manage the delivery of complex and targeted public service provision?
- What are you doing to protect citizens' data from theft, loss or misuse?
- How can you maintain the public's trust in privacy of their information, particularly when budgets for service delivery are under strain?
- How are you protecting state-sensitive data from being hacked?
- How robust are your data protection and privacy strategies?
- As cybersecurity risks increase, what protocols do you have in place if government systems go down?

### 4 *Making globalisation work for all*



#### *Facts...*

CEOs think globalisation has helped to facilitate trade, connectivity and a skilled workforce - but not mitigate climate change, develop fairer tax systems or close the gap between rich and poor. They think business has a role to play in society, by working with others to help drive systemic change - primarily through better collaboration with government.

#### *...and figures:*

- CEOs believe globalisation has helped to: improve the ease of moving capital, people, goods and information (95%); enable universal connectivity (94%); and create a skilled and educated labour force (90%).
- But sizeable percentages of CEOs don't believe globalisation has helped at all to: avert climate change and resource scarcity (28%); enhance fairness and integrity of global tax systems (35%); close gap between rich and poor (44%).

#### *Tough questions to ask:*

- Have you assessed the impact that current sentiment about globalisation will have on your government's ability to deliver public services?
- How can businesses and governments work together to help those who've been disenfranchised by globalisation?
- How are you providing the leadership through policy change where change is required to benefit society as a whole?
- In what ways are you working to design new solutions for businesses and governments to 'think global, act local', and working to ensure that the proceeds of growth are seen by the many, not the few?
- CEOs are keen for business to collaborate with government. What programmes are you promoting which can be done in collaboration with business to support workforce and community initiatives?
- Are you doing enough to ensure tax and regulatory policies are designed to support competitiveness and public services and growth?